

106TH CONGRESS
2D SESSION

S. 3114

To provide loans for the improvement of telecommunications services on
Indian reservations

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 22), 2000

Mr. BAUCUS (for himself and Mr. DASCHLE) introduced the following bill;
which was read twice and referred to the Committee on Indian Affairs

A BILL

To provide loans for the improvement of telecommunications
services on Indian reservations

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Native American Tele-
5 communications Improvement and Value Enhancement
6 Act”.

7 **SEC. 2. FINDINGS.**

8 Congress finds that—

9 (1) the average telephone penetration rate for
10 Native Americans on reservations is 47 percent

1 (with some reservations as low as 16 percent) as
 2 compared to 94 percent for the entire United States;

3 (2) barriers to telephone penetration on Native
 4 American reservations include poverty (the per cap-
 5 ita income for Native Americans is \$8,234), the high
 6 cost of service due to sparse population, and geo-
 7 graphic challenges; and

8 (3) without telephone service, individuals cannot
 9 obtain access to medical care in an emergency (911
 10 service), cannot reach prospective employers quickly
 11 and easily, and cannot take advantage of the edu-
 12 cational, medical, and commercial opportunities of-
 13 fered by the Internet.

14 **SEC. 3. ESTABLISHMENT OF LOAN PROGRAM.**

15 The Rural Electrification Act of 1936 (7 U.S.C. 901
 16 et seq.) is amended by adding at the end the following:

17 **“TITLE VI—MISCELLANEOUS**
 18 **PROVISIONS**

19 **“SEC. 601. NATIVE AMERICAN TELECOMMUNICATIONS IM-**
 20 **PROVEMENT AND VALUE ENHANCEMENT**
 21 **LOAN PROGRAM.**

22 “(a) IN GENERAL.—The Secretary, acting through
 23 the Rural Utilities Service, shall establish a program to
 24 make loans to eligible Indian tribes (or tribal entities that
 25 have entered into a partnership with a telecommunications

1 carrier) to enable such tribes to provide for the develop-
2 ment of telecommunications infrastructure (wireline or
3 wireless) on lands under the jurisdiction of the tribe in-
4 volved.

5 “(b) ELIGIBILITY.—To be eligible to receive a loan
6 under the program established under subsection (a) an In-
7 dian tribe shall—

8 “(1)(A) be a member of a cooperative that is
9 made up of Federally-recognized Indian tribes spe-
10 cifically formed for the purpose of providing tele-
11 communications services to members of the tribes in-
12 volved; or

13 “(B) be a Federally-recognized Indian tribe
14 that has entered into an agreement with a tele-
15 communications carrier for the purpose of obtaining
16 loans under this section to improve the telecommuni-
17 cations infrastructure on lands under the jurisdic-
18 tion of the tribe involved; and

19 “(2) prepare and submit to the Secretary an
20 application at such time, in such manner, and con-
21 taining such information as the Secretary may re-
22 quire, including a telecommunications plan that
23 meets the requirements of section 305(d)(3)(B), in-
24 cluding an assurance that any amounts will only be

1 used to provide service to unserved or underserved
2 areas.

3 “(c) REVOLVING LOAN FUND.—

4 “(1) IN GENERAL.—There is hereby established
5 in the Treasury of the United States a fund, to be
6 known as the Native American Telecommunications
7 Improvement Revolving Fund (referred to as the
8 ‘Fund’), consisting of—

9 “(A) all notes, bonds, obligations, liens,
10 mortgages, and property delivered or assigned
11 to the Secretary pursuant to loans made under
12 this section, and all proceeds from the sales of
13 such notes, bonds, obligations, liens, mortgages,
14 and property, which shall be transferred to and
15 be assets of the Fund;

16 “(B) all collections of principal and inter-
17 est received on a loan made under subsection
18 (a), which shall be paid into and be assets of
19 the Fund; and

20 “(C) all amounts appropriated to the Fund
21 under subsection (f).

22 “(2) USE.—The assets of the Fund shall be
23 used—

1 “(A) to make loans under subsection (a)
2 and to otherwise administer the loan program
3 under this section; and

4 “(B) to award grants as provided for in
5 subsection (e).

6 “(d) INTEREST.—The interest rate for any loan made
7 under subsection (a) shall not exceed an annual rate of—

8 “(1) two percent for loans made to tribes where
9 the per capita income of the area to be served under
10 the loan is 25 percent or less of the per capita in-
11 come of the entire United States, based on the most
12 recent census;

13 “(2) three percent for loans made to tribes
14 where the per capita income of the area to be served
15 under the loan is at least 26 percent but less than
16 34 percent of the per capita income of the entire
17 United States, based on the most recent census;

18 “(3) four percent for loans made to tribes
19 where the per capita income of the area to be served
20 under the loan is at least 34 percent but less than
21 51 percent or less of the per capita income of the
22 entire United States, based on the most recent cen-
23 sus; or

24 “(4) five percent for loans made to tribes—

1 “(A) where the per capita income of the
 2 area to be served under the loan is at least 51
 3 percent of the per capita income of the entire
 4 United States, based on the most recent census;
 5 or

6 “(B) that otherwise meet the definition of
 7 hardship as contained in the Rural Utilities
 8 Service regulations in effect on the date of en-
 9 actment of this Act.

10 “(e) GRANTS.—

11 “(1) IN GENERAL.—The Secretary shall award
 12 grants to Indian tribes to enable such tribes to con-
 13 duct feasibility studies with respect to tribal tele-
 14 communications projects.

15 “(2) LIMITATION.—The amount of a grant
 16 awarded under paragraph (1) shall not exceed
 17 \$200,000.

18 “(3) FUNDING.—Of the amount appropriated
 19 under subsection (f) and transferred to the Fund—

20 “(A) \$2,000,000 shall be used to award
 21 grants under this section in fiscal year 2001;
 22 and

23 “(B) an amount determined appropriate by
 24 the Secretary from the interest derived from
 25 loans made under this section shall be used to

1 award grants under this section in subsequent
2 fiscal years.

3 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated \$1,000,000,000 to carry
5 out this section.

6 “(g) DEFINITIONS.—In this section:

7 “(1) FEDERALLY-RECOGNIZED INDIAN
8 TRIBE.—The term ‘Federally-recognized Indian
9 tribe’ means any Indian or Alaska Native tribe,
10 band, nation, pueblo, village or community that is
11 acknowledged by the Federal Government to con-
12 stitute a government-to-government relationship with
13 the United States and to be eligible for the pro-
14 grams and services established by the United States
15 for Indians.

16 “(2) TELECOMMUNICATIONS CARRIER.—The
17 term ‘telecommunications carriers’ means any pro-
18 vider of telecommunications services.

19 “(h) TERMINATION.—The program established under
20 this section shall terminate on the earlier of—

21 “(1) the date that is 10 years after the date on
22 which the first loan is made under the program; or

23 “(2) the date on which the Secretary deter-
24 mines that the telecommunications penetration rate

- 1 is at least 90 percent of all households on reserva-
- 2 tion lands.”.

